



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

June 29, 2009

Ray Khan, Director
Professional College Institute dba PCI College
17215 Studebaker Rd., #310
Cerritos, CA 90703

Dear Mr. Khan:

RE: FINAL MONITORING VISIT REPORT for PCI College – ET08-0114

Date of the Visit:	6/26/09
Beginning/Ending Time:	9:30 a.m. – 12:00 p.m.
Date of Last Visit:	2/4/09; 4/2/09 (Records Review)
Visit Location:	PCI College's Cerritos campus
Persons in attendance:	Ray Khan, Director Marissa Tolentino, ETP Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	7/3/07 – 7/2/09	Agreement Amount:	\$351,618
Training Start Date:	7/23/07	No. to Retain:	30
Date Training must be Completed:	2/2/09 or 4/3/09	Range of Hours:	240 (Job 1) 280 (Job 2) 240 (Job 3)
Type of Trainee:	New Hire	Weighted Ave. Hours:	N/A

**Training must be completed by February 2, 2009 to allow Welfare to Work (Job 2) trainees complete the 500-hour retention period within 150 days, with up to three participating employers within the Agreement term; or April 3, 2009 to allow New Hire (Jobs 1 & 3) trainees to complete the 90-day retention period within the Agreement term*

FINAL REPORT SUMMARY:

The Agreement was executed on September 14, 2007. You reported that all training was completed on February 2, 2009, which allows for the 90-day retention period to be completed within the term ending date of the Agreement – July 2, 2009.

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ETP (05/16/07)

On September 24, 2008, Agreement Amendment No. 1 was executed which created Job 3 to train an additional 50 New Hire trainees and increased the agreement amount to \$351,618.

You provided Ms. Tolentino with projected statistics for the closeout of the Agreement. According to your records at the time of this final meeting, you have 38 trainees (48% of planned retentions) for a total reimbursement of \$167,127 (48% of the encumbered amount). Current records show that PCI has received \$226,272.75 in progress payments. Therefore, you will have an overpayment of \$59,145.75 which will be handled at the fiscal closeout of this Agreement.

Ms. Tolentino informed you that you must return to ETP all unearned monies under this Agreement with statutory interest computed from the first day of the month following the date the funds are received (Reference: Item 6, page 5 of the Terms and Conditions).

You indicated that you have at least 28 trainees to submit to ETP Fiscal Unit for Special Review which may generate an additional \$121,548 of earnings. Therefore, you do not anticipate any overpayment.

You stated that you did not earn 100% in this Agreement because several trainees sought employment out of state or lost contact with you for placement. In addition, you experience difficulties in obtaining employer's California Employer Account Numbers (CEAN) which delayed or prevented you from submitting final payments for many trainees. At least 30 employers hesitated to give their CEANs. You requested that ETP changes its requirement for New Hire Contractors, allowing Contractors to submit invoices for final payment without reporting the employer CEAN.

Ms. Tolentino informed you that ETP assumes that you are placing trainees first with employers whom you have informal relationships with and who have expressed a demand for the ETP training program which is the basis of the approval for this Agreement. Therefore, it would not be a hardship to obtain information from them. However, ETP is aware of New Hire Contractors' issue with CEAN, that is why you are allowed to submit trainees for final payment under Special Review. Reimbursement for these trainees is subject to ETP approval.

You indicated that you expect to improve your completion rate in this Agreement, once you submit the invoice for Special Review. You stated that through ETP funds you were able to help people return to employment.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Job #	Max to Retain	Enrolled	Dropped	Completed Training & Retention	Cost per Trainee	Anticipated Total Earnings
1	24	29	5	20	\$4,341	\$86,820
2	6	9	4	3	\$5,064	\$15,192
3	50	47	4	15	\$4,341	\$65,115
TOTAL	30	85	13	38		\$167,127

You indicated that the above statistics does not correspond to the information reported on the ETP Contract Status Report. To date, you have 72 trainees currently enrolled. You indicated

that you haven't dropped or submit final payments for several trainees due to the CEAN issue. (See discussion on page 2, Final Report Summary).

ATTENDANCE ROSTERS:

At the last Monitoring Visit, Ms. Tolentino could not validate the completion of training for all trainees who attended training from September 8, 2008 through December 8, 2008 because the Rosters are missing trainer name, trainer signatures, type of training and/or course titles.

On April 2, 2009, you provided Ms. Tolentino secondary documentation to substantiate delivery of training for the above-mentioned sessions. Records submitted show the name of the trainer present and the course title for each session.

During this visit, Ms. Tolentino reviewed attendance records of 10 Job 3 trainees billed on Invoices 7, 10 and 11. Records reviewed contained the information required by ETP regulations; confirmed that the Agreement curriculum was provided as specified; and validated the invoices for the completion of the required hours of training for enrollment and the Total Class/lab Training hours required in this Agreement.

You were advised that these findings are based only on the training records reviewed during this Visit and represent only a sample of the training records completed to date. Further, that it is your responsibility to ensure that all training records are in compliance with Panel requirements for auditing purposes. [Reference: Title 22 California Code of Regulations, Section 4442(b)]

INVOICES:

Ms. Tolentino advised you that the Final Invoice must be submitted within 30 days from the expiration date of the Agreement and if more time was required, You should request for an extension by writing to Kulbir Mayall, Fiscal Manager in the ETP Sacramento office.

AUDIT:

PCI will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Ms. Tolentino at (818) 755-1311 or by email at MTolentino@etp.ca.gov within ten (10) working days from the receipt of this letter.

Sincerely,

Signature on file

Wally Aguilar, Program Manager
North Hollywood Regional Office

Signature on file

Marissa Tolentino, Contract Analyst
North Hollywood Regional Office

cc: David Guzman, Chief, Program Operations Division
Kulbir Mayall, Manager, Fiscal and Certification
Master File
Project File

Date report mailed to Contractor: 7/3/09